GOVERNMENT OF INDIA
RURAL DEVELOPMENT
LOK SABHA

UNSTARRED QUESTION NO:4600
ANSWERED ON:22.08.2000
RESOURCES FOR DEVELOPMENT OF WASTELANDS
SUBODH MOHITE

Will the Minister of RURAL DEVELOPMENT be pleased to state:

(a) whether the Government have reviewed their efforts to encourage the flow of resources through Financial Institutions, Corporate Bodies and User Industries for the development of wastelands;

(b) if so, the details thereof;

(c) whether the Government have reviewed the performance of investment promotion scheme launched in 1994-95;

(d) if so, the details thereof; and

(e) the details of shortcoming of the IPS noticed?

Answer

MINISTER OF STATE FOR RURAL DEVELOPMENT (SHRI A. RAJA)

(a) Yes sir,

(b) The Central Sector Investment Promotional Scheme (IPS) for development of non-forest wastelands was launched during 1994 -95 to mobilise resources from Financial Institutions, Banks, Corporate Bodies including User Industries and other entrepreneurs for the development of wastelands. Under the Scheme, there is a provision for central promotional grant/subsidy to all categories of beneficiaries . For effective participation of beneficiaries, promoters contribution is also envisaged.

(c) & (d) The Scheme was restructured after a review of its performance during 1996-98. The revised scheme became operational in August, 1998 and was made more broad based with a focus on benefits to small and marginal farmers, including Schedule Castes/ Schedule Tribes. The details of changes made in the revised Guidelines vis-Ã -vis old Guidelines of IPS are given at Annexure.

(e) No shortcoming of the Investment Promotional Scheme has been noticed so far.

ANNEXURE

ANNEXURE REFERRED TO IN REPLY TO PART (c) & (d) OF THE LOK SABHA UNSTARRED QUESTION NO. 4600 DUE FOR REPLY ON 22-08-2000.

Statement showing details of the changes made in the revised Guidelines of Central Sector Investment Promotional Scheme (IPS) for development of non-forest wastelands.

Old Guidelines	Revised Guidelines
1.	
1. Quantum of subsidy.	
a) General Category including Small and Marginal Farmers.	- Rs.25 lakhs or 25% of the total cost of the project as firmed up by financial institutions/banks, whichever is less.
b) SC/ST Farmers	- 50% of the total project cost subject to a ceiling of Rs.50,000/- per project.
2. Promoters Contribution	

a) General Category including Small and Marginal farmers. - 25% of the total cost of the project as firmed up by the financial institution/bank.
b) SC/ST Farmers - Nil -

3.Financial Institutions/Banks

a) Nationalised banks only.

4. Other Changes.

2.
a) General Category (Individual/Group) - 25% of on-farm development activities or Rs.25 lakhs whichever is less.

b) Small Farmers (Individual/Group) - 30% of on-farm development activities or Rs.25 lakhs whichever is less.

c) Marginal Farmers (Individual/Group) - 50% of on-farm development activities or Rs.25 lakhs whichever is less.

d) SC/ST farmers without any limit in the area of holding - 50% of on farm development activities or (Individual/Group) Rs. 25 lakhs, whichever is less.

a) General Category (Individual/Group) - Atleast 25% of the project cost

b) Small Farmers (Individual/Group) - Atleast 10% of the project cost.

c) Marginal Farmers (Individual/Group) - Nil. However, at the time of execution of the project, the family labour should be involved to provide self-employment ensuring participation.

d) SC/ST Farmers without limit in the area of holding (Individual/Group) - Nil. However, at the time of execution of the project, the family labour should be involved to provide self-employment ensuring participation.

a) Nationalized Banks, Scheduled commercial banks, Regional Rural Banks, Land Development banks and Co-operative Banks.

b) In case an independent Agency/organisation/NGO assists in mobilising the group of farmersand linking them with the concerned banks/financial institutions, it would be paid 3% of the project cost for the purpose and this amount shall be paid by the bank/financial institutions to the Agency/Organisation/NGO from within the Central Promotional subsidy of DOLR admissible to individual/group of farmers.

c) The average project cost for on-farm development activities for the purpose of subsidy is restricted to around 20,000 per ha.

d) To ensure viability of the project, a minimum area of 4 ha. should be considered with a minimum project period of five years.

e) The support in the form of subsidy is given only for Agro forestry projects.